

EXHIBIT S

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND
NORTHERN DIVISION

* * *

EQUAL EMPLOYMENT : CIVIL ACTION
OPPORTUNITY COMMISSION :
Plaintiff :
and :
KATHY C. KOCH :
Intervenor/Plaintiff :
:
-vs- :
:
LA WEIGHT LOSS :
Defendant : NO. S-02-CV-648

* * *

30(b)(6) deposition of LA
WEIGHT LOSS CENTERS, through its
designee, KAREN P. SIEGEL, held in the
offices of EQUAL EMPLOYMENT OPPORTUNITY
COMMISSION, The Bourse Building, 111
South Independence Mall East, Suite 400,
Philadelphia, Pennsylvania 19106, on
Wednesday, August 28, 2002, beginning at
10:00 a.m., before Nancy D. Ronayne, a
Court Reporter and Notary Public in and
for the Commonwealth of Pennsylvania.

ESQUIRE DEPOSITION SERVICES
1880 John F. Kennedy Boulevard
15th Floor
Philadelphia, Pennsylvania 19103
215-988-9191

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1 A. No.
 2 Q. Moving on from when you were
 3 director of franchising, what did you do
 4 next?
 5 A. April of '98 I moved into
 6 becoming HR manager or HR -- director of
 7 HR I guess is the title.
 8 Q. And how long have you been
 9 in that position when you were in that
 10 position?
 11 A. I was -- the title changed.
 12 Director of HR until April of '99, which
 13 went to VP of HR in April of 2000, and
 14 senior VP of HR in April 2001.
 15 Q. And that's what your title
 16 is today?
 17 A. Yes.
 18 Q. Senior Vice President of
 19 Human Resources.
 20 A. Yes.
 21 Q. Was there a Senior Vice
 22 President of Human Resources when you
 23 were the Vice President of Human
 24 Resources?

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1 A. No.
 2 Q. Was there Vice President of
 3 Human Resources when you were director of
 4 Human Resources?
 5 A. No.
 6 Q. How many people do you
 7 supervise at present as Senior Vice
 8 President of Human Resources?
 9 A. Twelve.
 10 Q. And can you go through the
 11 staff positions that you supervise?
 12 A. I have an HR manager. I
 13 have a benefits specialist. I have a
 14 recruiting specialist. I have two
 15 inhouse recruiters, two field recruiters,
 16 I have a generalist. Did I give you a
 17 generalist yet?
 18 Q. No, you did not.
 19 A. Okay, a generalist. I have
 20 got an admin, I've got a payroll -- well,
 21 I have three payroll clerks, payroll
 22 processors. One payroll manager, two
 23 payroll processors. And a like
 24 payroll/HR assistant. I believe 13.

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1 Q. Yes, 13 people.
 2 Have the people you just
 3 mentioned here that you supervise today,
 4 has that list changed significantly or
 5 actually has it changed at all during the
 6 course of your time as Human Resources
 7 Director?
 8 A. Okay. I'm trying to think.
 9 I had the benefits specialist was hired
 10 in like November '98, and then another HR
 11 manager was hired in '99. Then just in
 12 the last like year in 2001 is when the
 13 majority of the other people were added.
 14 The payroll people were all there, I had
 15 them right from the start. And then
 16 additional HR people from there.
 17 Q. So I'm sorry, since you said
 18 April of 2000 or 2001?
 19 A. 2001.
 20 Q. So since April 2001 you've
 21 had a recruiting specialist?
 22 A. No. She's -- she's just
 23 there a year, so like June of 2001.
 24 Q. And you didn't have a

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1 recruiting specialist prior to that?
 2 A. No.
 3 Q. Did you do those functions
 4 before that yourself?
 5 A. Yes.
 6 Q. And you've had inhouse
 7 recruiters since April of 2001?
 8 A. No. The two inhouse
 9 recruiters started two months ago.
 10 Q. Two months ago?
 11 A. Yes.
 12 Q. And you did not have inhouse
 13 recruiters prior to that time?
 14 A. That's correct.
 15 Q. Did you do those functions
 16 or that responsibility yourself?
 17 A. Yes. We had field
 18 recruiters, we had more field
 19 recruiters. We had 10 field recruiters
 20 at one point and now we're down to two.
 21 And actually, they will also get phased
 22 out, I'm going to be hiring additional
 23 inhouse recruiters.
 24 Q. So when you first started

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1 Q. For management, for field
2 management?

3 A. For people that were doing
4 the interviewing in the field; that's
5 correct. And that evolved as well. I
6 mean, it's hard to explain but again,
7 very, very -- we're talking very small
8 company, a mom and pop if you will. And
9 everyone out there was sort of a mom and
10 pop and trying to make that more
11 uniform.

12 Okay, so then what happened
13 from there was we were given the ability
14 to hire field recruiters because it was
15 too much responsibility in running
16 centers as well as trying to recruit
17 employees. So we started hiring field
18 recruiters that would take the leads,
19 pre-screen the leads, set up interviews
20 for their, you know, the managers that
21 they worked for in the areas that they
22 worked for.

23 Some managers allowed the
24 field recruiters to actually do the

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1 interviews for them and then maybe they
2 would be second interviews. Or they
3 themselves wanted to interview the
4 people, that would be potentially working
5 in their centers, okay.

6 That now has evolved into
7 where we decided that we're going to be
8 accountable and responsible for the
9 entire function from the recruiting
10 standpoint. We are doing all the
11 pre-screening, we are taking in all the
12 leads. I mean we're phasing it out only
13 because I don't have the people to be
14 able to handle it a hundred percent at
15 this point. But that's why I still have
16 some field recruiters out there in areas
17 that I haven't hired somebody internally
18 to be able to handle. But then we're
19 going to be responsible for getting all
20 the leads, pre-screening all the leads,
21 setting up the interviews for the people
22 out in the field. They're still going to
23 be doing their own interviews, than
24 letting us know who it is that they want

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1 hire. And then we take it from there
2 reference checking, you know, offers of
3 employment, declamation letters. So we
4 finish the cycle if you will from that
5 standpoint.

6 Q. Go ahead.

7 A. And so as that process has
8 evolved my involvement at the field level
9 has become much greater where I now train
10 any supervisor, anyone who is involved in
11 the hiring process gets trained by me.
12 Literally, that's -- that's started,
13 again, pretty much towards the beginning
14 but is now, you know, just ingrained with
15 whatever we do.

16 Q. What is a lead? You
17 referred to lead several times, what is a
18 lead?

19 A. Someone who applied for a
20 position.

21 Q. Any position?

22 A. In response to an ad.

23 Q. Is it any job or is it any
24 job in particular?

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1 A. Any job.

2 Q. So would that be jobs that
3 go from the lowest person in the field
4 office to the manager to the highest
5 person in the field office?

6 A. Yes.

7 Q. And can you give me
8 approximately a time frame how the
9 evolution took place? You started with
10 sounds like, and correct me if I'm wrong,
11 but that the office, the corporate
12 stores, field stores if you will were
13 responsible for handling all of these
14 things on their own at first. All these
15 things being advertising, hiring, and
16 being responsible for recruiting any
17 leads which would be anybody who works in
18 your office when you first started as
19 human resources director; is that
20 correct?

21 A. Yes.

22 Q. And then at some point some
23 of these responsibilities were
24 disseminated back to the field -- excuse

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1 A. No.
 2 Q. What's the human resources
 3 manager's name?
 4 A. Nicola, N-I-C-O-L-A, Fryer,
 5 F-Y -- F-R-Y-E-R.
 6 Q. And has she been the human
 7 resources manager since you've had a
 8 human resources manager in 1999?
 9 A. Yes.
 10 Q. What was her -- she worked
 11 for the corporation prior to that, prior
 12 to her being --
 13 A. When she first started her
 14 titled was HR generalist, she's since
 15 been promoted to HR manager.
 16 Q. When did she start as the HR
 17 generalist?
 18 A. She was hired, what is her
 19 date, she was probably hired like late
 20 '99, somewhere in there. Like September
 21 of '99. Somewhere in that time frame.
 22 Q. So how long was -- sounds
 23 like it wasn't that long between when she
 24 became a generalist and when she was a

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1 manager?
 2 A. No, it was probably a year
 3 between when she was hired.
 4 Q. And is that still her title
 5 today?
 6 A. Yes.
 7 Q. And as a human resources
 8 generalist was she responsible when she
 9 was initially hired for the recruiting
 10 aspect of the human resources department?
 11 A. No.
 12 Q. Can you elaborate for me
 13 when you say that she coordinates
 14 recruiting, can you please provide more
 15 information for what you mean by that?
 16 A. With -- when -- and we still
 17 have a few but with the field recruiters,
 18 they have dual reporting responsibility
 19 insofar as they report to HR for leads,
 20 you know, where they want to place ads,
 21 what positions they're trying to hire
 22 for, what ads they want to run. And then
 23 coordinating with their managers setting
 24 up interviews, interviewing themselves,

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1 setting up second interviews for their
 2 managers.
 3 So we kind of coordinate
 4 that function inhouse for the field. But
 5 we're doing away with that and we're
 6 bringing them all inhouse so she actually
 7 manages inhouse people as well.
 8 Again, placing
 9 advertisement, getting from them, you
 10 know, interview schedules, that sort of
 11 thing, overseeing that function.
 12 Q. So maybe what we can do is
 13 try to go through if you would how this
 14 recruiting program has evolved. It
 15 sounds like, just to clarify things, is
 16 that it has been an ongoing process since
 17 you started as a human resources
 18 director. So could you explain for me
 19 how you all have involved your recruiting
 20 process with your corporate office?
 21 A. Well, initially when I first
 22 started doing HR literally it was -- it
 23 came about that the people in the field,
 24 the field managers, were literally

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1 placing their own advertisement. There
 2 was no accountability from a cost
 3 standpoint of what was being spent on
 4 advertising and that sort of thing in
 5 dealing with the recruiting. And that
 6 then, that function became my
 7 responsibility to be the sole person who
 8 was placing ads for them in the field.
 9 From that evolved the training manual
 10 that laid out the procedure of, you know,
 11 how to place an ad, when we would need
 12 the information for an ad placement, who
 13 it was going to go to and more formalized
 14 how to conduct an interview.
 15 You know, what are the
 16 criteria for interviewing, what type of
 17 things you need to comply with from an
 18 interviewing standpoint. Everything
 19 that's addressed in the recruitment
 20 manual. But it was still done at the
 21 field level as far as that goes. But I
 22 was training, I got involved in the
 23 training for management and their
 24 interviewing practices.

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1 Q. Say that again, please?

2 A. If you -- generally speaking
3 the area manager would be responsible for
4 hiring the center manager for a
5 particular area. If you're without an
6 area manager then it would be the
7 regional's responsibility to fill the
8 position.

9 And there's some situations
10 where the regional might want to be the
11 one to fill the position versus the area
12 manager because they feel more strongly
13 about who they have staffing that
14 center. So there's no -- there's no set
15 person to actually fill that position,
16 depends on the particular region.

17 Q. Let's start with back in
18 1997 because I'll assume that it's
19 changing over the years since the stores
20 grown?

21 A. Yes.

22 Q. So let's try to do by year
23 if we could. Starting in 1997, did you
24 have a general, at least one general

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1 manager?

2 A. No, no.

3 Q. Did you have any divisional
4 managers?

5 A. No.

6 Q. Did you have any regional
7 managers?

8 A. No.

9 Q. Did you have any area
10 managers?

11 A. Yes.

12 Q. Because you only had 22
13 stores at that point, right?

14 A. Yes.

15 Q. And how many areas did you
16 have at that time?

17 A. When I first started with
18 the company there was about maybe six.

19 Q. Six areas?

20 A. I'm not sure exactly.

21 Q. Were the area managers at
22 that time responsible for filling the
23 center manager positions?

24 A. Yes.

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1 Q. And who is responsible for
2 filling the other positions at the center
3 locations back in 1997?

4 A. I believe still the area
5 managers.

6 Q. So the area managers in 1997
7 were responsible for filling all
8 positions in their center locations?

9 A. I believe so.

10 Q. Is there any document in the
11 corporation's possession that would have
12 the lists of those area managers?

13 A. No.

14 Q. Is there anywhere in
15 electronic form or in any other form that
16 would have a list of those areas
17 managers?

18 A. No.

19 Q. Was there at any time?

20 A. No. What I can tell you is
21 that if you potentially could go back and
22 look at payroll records to be able to
23 determine from a pay rate what a
24 particular position if someone was

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1 potentially an area manager.

2 Q. Are those payroll records
3 archived?

4 A. They are -- I don't even --
5 I wasn't involved at that point. I
6 believe we used a company -- I believe at
7 that time we were using ADP but shortly
8 thereafter we switched over to Zurich,
9 well, it wasn't Zurich, it was a company
10 called American Payroll. And then they
11 were bought by Zurich so now it's Zurich
12 American Payroll Solutions. We don't use
13 them anymore, we use ADP again.

14 So there are payroll books
15 I'm assuming in storage somewhere but I
16 can't attest to whether or not they are
17 -- if they exist or not exist.

18 Q. Who was responsible for
19 overseeing the payroll for LA Weight Loss
20 back in 1997?

21 A. Sandy Miller.

22 Q. Sandy Miller?

23 A. Yes.

24 Q. What is her title?